



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

AUG 11 2010

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Mr. Paul Brzozowski
Project Manager
Tierra Solutions, Inc.
Two Tower Center Boulevard, 10th Floor
East Brunswick, New Jersey 08816

Re: Demand for Reimbursement of Costs
Diamond Alkali Superfund Site, Lower Passaic River Study Area
Negotiation of CSO/SWO Investigation Administrative Settlement
Agreement and Order on Consent

Dear Sir:

The U.S. Environmental Protection Agency ("EPA") has documented the release or threatened release of hazardous substances, pollutants, and contaminants into the 17-mile stretch of the river known as the Lower Passaic River Study Area ("LPRSA"), which is part of the Diamond Alkali Superfund Site ("Site") located in Newark, New Jersey. Pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA" or "Superfund"), 42 U.S.C. §9601, *et seq.*, and in response to these releases and the threat of future such releases, EPA has spent public funds and anticipates spending additional public funds.

Demand for Reimbursement of Response Costs

EPA wishes to determine whether you are prepared to reimburse EPA for certain costs it has incurred with respect to the Site. Specifically, EPA incurred costs relating to the Administrative Settlement Agreement and Order on Consent currently being negotiated for performance of a Combined Sewer Overflow/Storm Water Outfall (CSO/SWO) Investigation in the LPRSA.

In accordance with Section 107(a), demand is hereby made for payment of \$ 34,121.64 and payment shall be due within thirty (30) days of your receipt of this letter. If payment of the sum is not made in this time period, pursuant to Section 107(a), interest on this amount will begin to accrue as of the date of this letter. Enclosed is information to support the response costs.

Enclosure A is a printout of cost data from EPA's financial management system, known as a SCORPIOS report, supporting the EPA payroll portion of the response costs through 4/30/10 (\$7,687.52 in payroll costs and \$2,483.11 in indirect costs). Only costs for work associated with the CSO/SWO Investigation are included.

Enclosures B and C document the cost of work performed by EPA's contractors on the CSO/SWO Sampling and Analytical Plan (S&AP), dated August 2008, for the period 12/29/07-4/25/08 (\$18,237.27 in direct costs and \$5,713.74 in indirect costs). This represents a subset of

the costs that have been expended by EPA on this effort.

Enclosure B shows the charges related to the CSO/SWO Investigation that were incurred by EPA's contractor at the time, Malcolm Pirnie, Inc. (MPI), under contract to the U.S. Army Corps of Engineers-Kansas City District (USACE-KC), which was in turn funded through an Interagency Agreement (IA) with EPA. Enclosure B shows four groups of three pages (double-sided) of invoices representing the periods of time shown in the summary table below. The first page in each group is an invoice from MPI from a particular time period with the cost of CSO/SWO work shown as Work Authorization Document (WAD) 3, Work Order 3, Work Elements 1, 2, 3, 4 and 5. That work was performed under a larger contract, so the second page shows the total amount that MPI billed USACE-KC for that contract during that time period. The contract is part of a larger IA, so the third page shows how the contract amount (under "Contract – Task Order 0023") fits into the total amount that USACE-KC billed to EPA for that IA (under "Funds Disbursed this Month" column).

Enclosure C shows two pages from a SCORPIOS report. In Section 8, Page 1 of 1, the four IA amounts are shown as the first four "Voucher Amounts". The indirect costs associated with those IA amounts are shown in the SCORPIOS report Section 11, Page 8 of 13 (under "Other Direct Costs", "Contract, IAG, SCA, Misc. No." DW96941975).

Period	Contractor Cost for CSO-SWO Work	Total Contract Cost (including CSO-SWO Work)	Total IA Cost (including contract w/ CSO-SWO)	Total Indirect Cost	Indirect Cost Associated with CSO-SWO Work
12/29/07-1/25/08	\$922.76	\$205,160.29	\$468,125.55	\$146,663.74	\$289.10
1/26/08-2/22/08	\$3,514.49	\$346,544.97*	\$359,199.62	\$112,537.24	\$1,101.09
2/23/08-3/28/08	\$8,767.88	\$428,580.82	\$451,177.55	\$141,353.93	\$2,746.98
3/29/08-4/25/08	\$5,032.14	\$511,168.35	\$550,977.98	\$172,621.40	\$1,576.57
TOTAL	\$18,237.27	---	---		\$5,713.74

*A small amount of this total cost was not paid due to a mileage rate error.

Only the contractor costs and indirect costs associated with the CSO/SWO work were included in the response costs. The indirect costs associated with CSO/SWO work were calculated by multiplying the Total Indirect Costs by the percentage of the total IA cost that was represented by the CSO/SWO work.

Consequently, the total costs demanded for these time periods are \$10,170.63 (EPA personnel direct and indirect costs) and \$23,951.01 (contractor direct and indirect costs).

Settling Party shall make payment by remitting the amount of the payment to EPA by Electronic Funds Transfer ("EFT") to the Federal Reserve Bank of New York, accompanied by a statement providing the following information:

- (i) Amount of payment: **\$34,121.64**
- (ii) EFT to be directed to: **Federal Reserve Bank of New York**
- (iii) ABA Routing Number: **021030004**
- (iv) Federal Reserve Bank of New York account number: **68010727**
- (v) SWIFT address: **FRNYUS33**

- (vi) Address: **Federal Reserve Bank of New York
33 Liberty Street
New York, NY 10045**
- (vii) Field Tag 4200 of the Fedwire message to read:
D 68010727 Environmental Protection Agency
- (viii) Name of remitter
- (ix) Demand: Negotiation of Removal Settlement Agreement
- (x) Site/Spill Identifier: **02-96**

To ensure that a payment is properly recorded, please send a letter, within seven working days of the EFT, that references the date of the EFT, the payment amount, the removal action at the LPRSA of the Diamond Alkali Site, and the name and address of the party making payment to the United States, to the EPA Project Coordinator, Site Attorney and Financial Management Center, as follows:


Alice Yeh, Remedial Project Manager
Emergency and Remedial Response Division
U.S. Environmental Protection Agency, Region 2
290 Broadway, 19th Floor
New York, New York 10007-1866

Patricia C. Hick, Esq.
New Jersey Superfund Branch
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway, 17th Floor
New York, New York 10007-1866

U.S. Environmental Protection Agency
Cincinnati Finance Center, MS: NWD
26 W. Martin Luther King Drive
Cincinnati, Ohio 45268
Attn: Finance (Richard Rice)
AcctsReceivable.CINWD@epa.gov

If you have any questions regarding this letter, or would like to discuss these matters with EPA, you may call Ms. Yeh at (212) 637-4427. Please direct all inquiries from an attorney to Ms. Hick at (212) 637-3137.

Sincerely yours,


Raymond Basso
Strategic Integration Manager
Emergency and Remedial Response Division

Enclosures

cc: Carol Dinkins, Esq